

Office Of Inspector General

***Five-Year Strategic Plan
FY 2001 - 2005***





A MESSAGE FROM THE INSPECTOR GENERAL

I am pleased to present the Fiscal Year 2001 – 2005 Strategic Plan for the Office of Inspector General (OIG), United States Postal Service. This plan meets the requirements of Public Law 104-208. Our plan consists of two overarching goals and four strategies to meet these goals. In developing our plan, we consulted with our stakeholders and worked closely with the Inspection Service to clarify the Designation of Functions between our office and the Inspection Service.

This marks the beginning of our fifth year as the first independent Office of Inspector General of the Postal Service. From our first day, we have worked to build and nurture a unique organization. Through living our core values of *teamwork, leadership, communication, creativity, and conceptualization* on a daily basis, our work contributes to the success of the Postal Service. I am proud to say that our highly talented and diverse workforce has embraced the OIG's values and made our vision a reality.

The Postal Service faces many challenges, including a \$2 billion to \$3 billion projected loss in fiscal year 2001, reduction of First-Class Mail revenues as customers move to electronic alternatives, and increased competition in other delivery services. The Postal Service must respond to these changes while at the same time keeping prices affordable, reducing costs, and growing revenues. This Strategic Plan will help us assist the Postal Service in identifying opportunities for increasing revenues, reducing costs, and improving efficiency.

A handwritten signature in black ink, reading "Karla W. Corcoran". The signature is stylized with a large, flowing "K" and "C".

Karla W. Corcoran
Inspector General

TABLE OF CONTENTS
USPS OIG Strategic Plan
Fiscal Year 2001 – 2005

Message from Inspector General Karla W. Corcoran

I.	Introduction.....	1
II.	OIG Mission, Vision, and Values.....	4
III.	Scope of OIG Work.....	7
IV.	OIG Goals and Strategies.....	12
V.	Challenges Affecting OIG's Success.....	14

I. INTRODUCTION

What is the Postal Service?

The Postal Service is a \$67 billion business with over 900,000 employees nationwide that processes 668 million pieces of mail daily. The Postal Service binds the nation together by providing prompt, reliable, and universal service.

What is the OIG?

The OIG is an independent and objective oversight organization reporting directly to the Postal Governors with an authorized staffing level of 725 employees at 15 locations across the nation.

The mission and strategic goals of the OIG focus on providing high-quality, value-added services that:

- ◆ improve the economy, efficiency, effectiveness, and integrity of the Postal Service;
- ◆ detect and prevent fraud, waste, abuse, and mismanagement in Postal Service programs and operations; and
- ◆ provide oversight of the Postal Inspection Service.

The OIG supports the Postal Service in meeting the needs of its customers. To achieve this, we created a values-based organization that maximizes human potential.

Our values are *teamwork, leadership, communication, creativity, and conceptualization*, which can be easily remembered as TLC³. These values are fundamental to our success. They are incorporated into everything we do, from planning to execution to reporting. We value and treat our employees as our most indispensable resource.

We have also adopted the best business practices of the public and private sectors. We strive to be a model organization by using the latest technology and the most innovative ideas of our employees.



The OIG Management Committee provides strategic guidance.

OIG ORGANIZATIONAL STRUCTURE

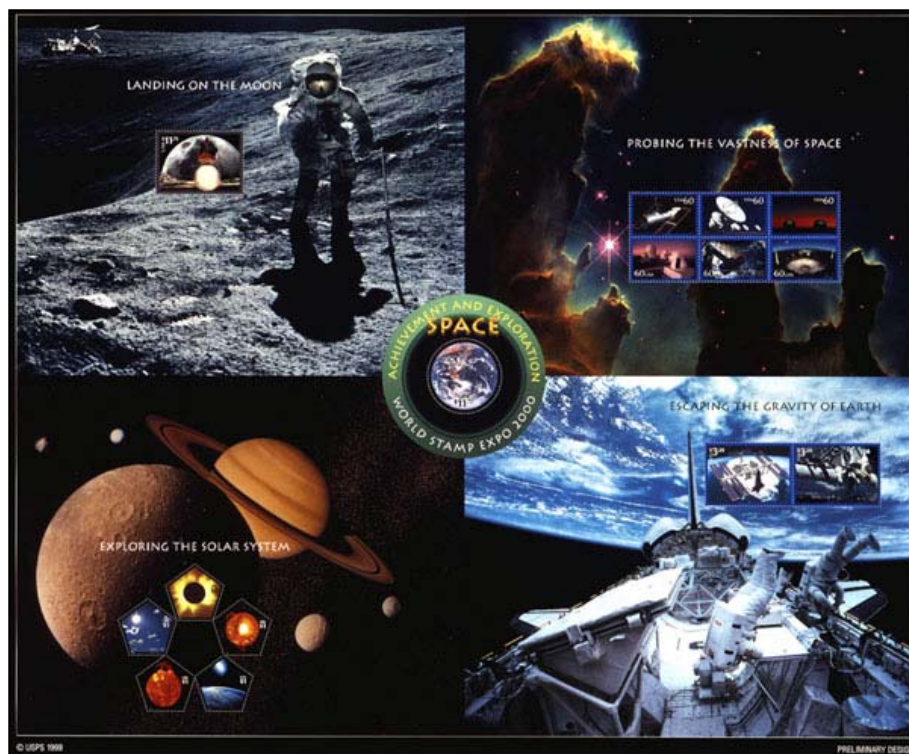


Why do we prepare a strategic plan?

The OIG Strategic Plan is prepared in accordance with Public Law 104-208. The mission statement, goals, and strategies set forth in the plan are the foundation for measuring, reporting, and improving our performance over the next five years. The OIG recognizes that strategic planning is an ongoing process that requires continuous monitoring and revision. Thus, as goals are achieved or circumstances change, the OIG Strategic Plan and corresponding annual plans will be revised accordingly.

What are the Postal Service's strategic goals?

Today's environment is more challenging than any the Postal Service has faced in its more than 200-year history. The Postal Service's Strategic Plan for Fiscal Years 2001-2005 outlines strategies for providing universal service that is prompt, reliable, efficient, affordable, and self-sustaining. The strategic direction and objectives also reflect a growing uncertainty about the future impact of emerging technologies, changing customer requirements, and competitors' actions will affect mail volume and Postal revenues. With today's challenges, the OIG needs to serve as a strong, independent, fair, and objective voice, which provides information that contributes to Postal Service's success.



II. OIG MISSION, VISION, AND VALUES



Office of Inspector General



MISSION

 **Conduct and supervise objective and independent audits, reviews, and investigations relating to Postal Service programs and operations to:**

 **Promote economy, efficiency, and effectiveness**

 **Prevent and detect fraud, waste, abuse, and mismanagement**

 **Provide oversight of the Postal Inspection Service**

 **Keep the Governors and Congress informed of problems and deficiencies, and corresponding corrective actions.**



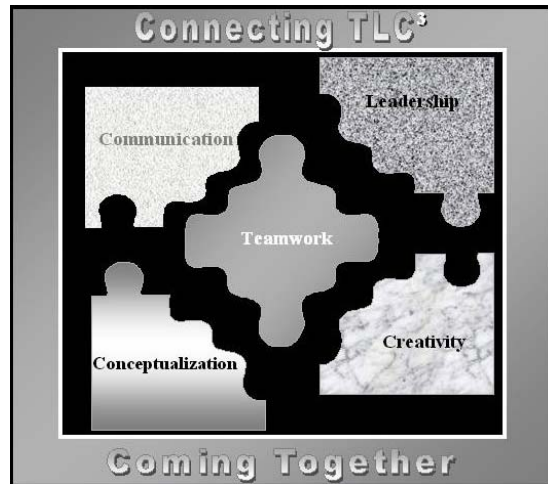
VISION

We are committed to excellence through our vision of “A Constellation of Talented People Making a Difference Through Teamwork, Leadership, Communication, Creativity, and Conceptualization (TLC³). ”

VALUES

Our five values make up the core of our corporate culture, and define how we do our work. TLC³ creates an inclusive environment so that all staff at every level are provided the opportunity to share their perspectives and skills in every effort we perform.

POSTAL OIG VALUES



Teamwork

Diverse talents and levels working cooperatively and collaboratively toward producing timely, relevant, and quality work products and services that add value to the Postal Service and our organization.

Leadership

Encouraging each to be the best each can be regardless of position or grade, understanding that all levels of employees are expected to play a role in developing and directing every effort performed.

Creativity

Cultivating fresh perspectives in the development of new processes and techniques that will improve the Postal Service and our operations.

Communication

Ensuring cross-level and cross-functional sharing of all information as well as facilitating honesty, openness, respect, and consideration of the contributions and opinions of others.

Conceptualization

Keeping one's "eye on the ball" and recognizing interrelationships to accomplish desired results.

III. SCOPE OF OIG WORK

Since the inception of the OIG in January 1997, we have completed over 850 reviews, closed over 250 investigations, and processed over 54,000 Hotline inquiries resulting in cost savings, recoveries, and cost avoidance of over \$1.4 billion. These reviews and investigations have covered the breadth of Postal operations and activities, including:

- ◆ Financial Management Reviews
- ◆ Contracting and Facilities Reviews
- ◆ Core Business Processes Reviews:
 - Accepting and Processing
 - Transportation
 - Delivery
 - Marketing
 - Enabling Support Functions
- ◆ Technology Reviews:
 - Developmental
 - Computer Security
 - Electronic Commerce
 - Computer Intrusion Detection
- ◆ Labor Management Reviews:
 - Workplace Climate
 - Violence in the Workplace
 - Health Care
- ◆ Oversight of the Inspection Service
- ◆ Investigations:
 - Executive Misconduct
 - Bid Rigging
 - Product Substitution
 - False Claims and False Statements
 - Bribery, Kickbacks, and Conflicts of Interest
 - Embezzlements
 - Health Care Fraud
 - Financial and Non-Financial Crimes
 - Whistleblower and Retaliation
- ◆ Legislative and Regulatory Reviews
- ◆ Congressional, Postal Governor, and Hotline Inquiries

What areas will be our focus?

In the period covered by this plan, the OIG will focus its attention on the following areas to help address major challenges facing the Postal Service as well as fulfilling its statutory responsibility regarding the Inspection Service:

- ◆ Growing revenues and competing in a rapidly changing market;
- ◆ Maintaining affordability by controlling costs;
- ◆ Improving the workplace climate and labor relations;
- ◆ Leveraging technology to enhance productivity; and
- ◆ Overseeing the Inspection Service.

The following presents each of the five areas and the focus of our efforts.

GROWING REVENUES AND COMPETING IN A RAPIDLY CHANGING MARKET

Increasing competition from electronic commerce and other competitors has slowed the growth of Postal revenue and is expected to have a continuing impact on the Postal Service's financial viability. Electronic commerce threatens to reduce First-Class Mail, putting at risk as much as \$33 billion in revenue over the next nine years. In addition, foreign postal services have recently set up offices in the United States, siphoning away millions of dollars in outbound international mail. Consequently, the Postal Service is being challenged to find new revenue sources at the same time the Postal Service is being challenged to fulfill its core mission of delivering mail in a timely manner and improving customer service.

To assist with this challenge, the OIG is assessing how the Postal Service develops new products and services to grow revenue, enhances core business processes to improve customer service, and maintains the public's trust.

OIG work will focus on the following:

- ◆ New Products and Services:
 - Justification and approval
 - Marketing and sales
 - Return on investment
- ◆ Leveraging Traditional Operations:
 - Strategic alliances
 - Marketing
 - Financial initiatives
 - International mail
- ◆ Service Performance and Customer Satisfaction:
 - Timeliness and reliability of service
 - Measurement systems
 - Postal rates
 - Re-engineering
- ◆ Public Trust:
 - Brand integrity

- Employee integrity

MAINTAINING AFFORDABILITY BY CONTROLLING COSTS

With over \$60 billion in operating expenses each year, the Postal Service needs strong management controls to mitigate historic trends that drive rate increases and to ensure its ability to provide universal mail service at affordable rates. Controlling costs requires strong contract administration, effective program oversight, and sound budget processes to make informed decisions.

OIG efforts will focus on the following:

- ◆ Financial System Integrity:
 - Financial statements
 - Field installations
 - Cost and revenue analyses
 - Treasury-related issues
- ◆ Budget:
 - Planning
 - Execution
 - Systems
- ◆ Contracting Activities:
 - Fair and reasonable contract pricing
 - Reasonableness and allowability of incurred costs
 - Adequacy of contractor systems
 - Contract administration
- ◆ Facilities and Real Estate:
 - Justification, approval, and budgeting
 - Construction management
- ◆ Logistics:
 - Transportation systems and operations
 - Materiel management
- ◆ Health Care:
 - Workers' compensation program administration
 - Provider billing

IMPROVING THE WORKPLACE CLIMATE AND LABOR RELATIONS

The Postal Service, with approximately 800,000 career and 100,000 non-career employees, has characterized labor management relations as one of its most formidable challenges in achieving its goals in the 21st century. To operate effectively in a rapidly changing environment, the Postal Service has recognized that it will need to give employee issues a higher priority and enhance each employee's contribution to organizational performance. Labor and management cooperation is also critical if the Postal Service is to achieve its overall financial goals. However, employees sometimes view management attempts to achieve incentives under the Postal Service's Economic Value Added Variable Pay Program as adversarial. The Postal Service will need to address those perceptions in order to resolve persistent labor management problems.

Since its inception, the OIG has been working with the Postal Service to address these issues. However, labor management relations continue to be one of the toughest areas to adequately address. To date, the OIG has received over 2,800 individual labor management complaints. Because of the emotional involvement, potential financial impact, and the length of time to resolve these issues for the employee, management, and Postal Service, it is important that OIG's involvement in this area be meaningful and positive. Therefore, in order to deal with the sheer magnitude of complaints, the OIG focuses primarily on systemic issues and conducts Postal-wide reviews. These reviews are designed to identify and prevent potential problems that can detract from a healthy and productive work environment.

OIG efforts will focus on the following:

- ◆ Workplace Climate:
 - Conflict prevention and resolution
 - Threat assessment programs
 - Occupational safety and health
- ◆ Employee Management:
 - Training and development
 - Succession planning
 - Workforce planning
 - Performance and compensation
 - Diversity

LEVERAGING TECHNOLOGY TO ENHANCE PRODUCTIVITY

The Postal Service is seeking ways to leverage technology to improve its service, productivity, and profitability. While it depends on technology to deliver more than 650 million pieces of mail every day, the Postal Service must continue to adapt quickly to each new wave of technology to maintain its competitive position in the market. The unprecedented growth in computer interconnectivity and Internet usage is revolutionizing the way the nation communicates and conducts business and is reshaping customer expectations. To address these technology challenges, the Postal Service had planned to invest approximately \$17 billion through fiscal year 2005 on capital investments, some of which were technology-related investments. However, with the Postal Service's current financial condition, the funding of these projects is uncertain. These projects were intended to automate and modernize mail processing and acceptance, enhance communications and access to information, and extend the Postal infrastructure to better support core business processes and electronic products and services. In addition, the Postal Service continues to focus on eBusiness and computer security to protect these investments.

OIG efforts will focus on the following:

- ◆ Information Systems:
 - Information infrastructure and architecture
 - System performance and integrity
 - Systems development and implementation
- ◆ Computer Security:
 - Access
 - Data protection
 - Data integrity
- ◆ Developmental:
 - Automation of core functions
 - Process re-engineering
- ◆ eCommerce:
 - Business partnerships and joint ventures
 - Brand integrity
 - Justification, cost, budgeting, and risk

OVERSEEING THE INSPECTION SERVICE

Enabling legislation requires the OIG to conduct oversight of the Inspection Service in addition to OIG's audit and investigative responsibilities. As a law enforcement agency, it is essential that the Inspection Service be held to the highest standards of conduct to maintain the public's trust and the Postal Service's reputation of reliability.



OIG efforts will focus on the following:

- ◆ Public Trust:
 - Function and role
 - Operational effectiveness
 - Management controls



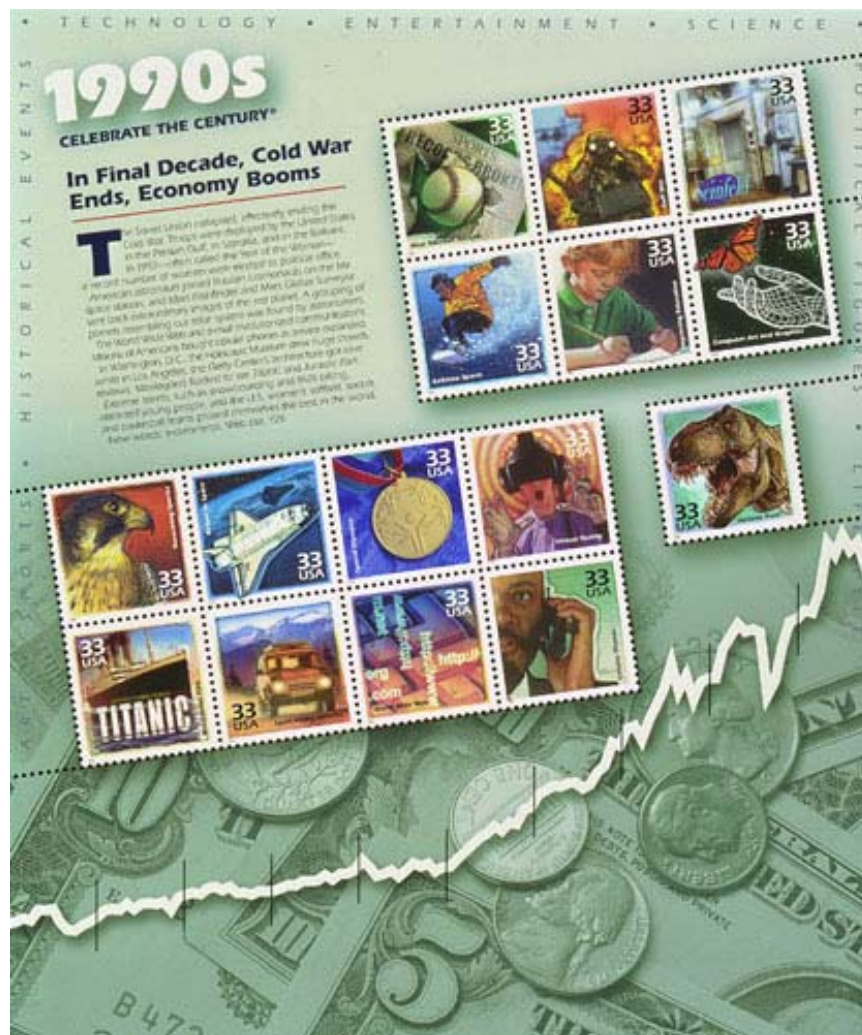
IV. OIG GOALS AND STRATEGIES

The following goals and strategies set the strategic direction for the OIG and provide the basis for helping the Postal Service achieve its goals consistent with OIG independence:

Goals	Strategies
 <p>The OIG will be the independent voice that provides our stakeholders with timely, accurate, and relevant information that contributes to the success of the Postal Service.</p>	<ul style="list-style-type: none">• Annually identify major management challenges and independently develop work priorities that assist the Postal Service in addressing major management challenges.• Independently provide the right information to the right people at the right time.
 <p>The OIG is an independent entity that maximizes resources, leverages cutting-edge technology, and provides a healthy organizational culture and environment.</p>	<ul style="list-style-type: none">• Maintain a TLC³ value-based organization that attracts, develops, and retains a talented and diverse workforce.• Independently manage and optimize OIG resources, including leveraging cutting edge technology.

OIG Goals and Strategies (continued)

We continuously monitor our performance and seek ways to improve. By maintaining objective data on key performance areas, we will be able to periodically measure and assess our progress in achieving goals. We establish annual performance measures to emphasize program objectives, promote teamwork, and encourage innovation throughout the OIG. These measures are linked to a Team Award that is structured to reward commitment to the strategic priorities of the OIG and to reinforce the importance of providing high-quality and value-added services that contribute to the success of the Postal Service.



V. CHALLENGES AFFECTING OIG'S SUCCESS

We have identified the following external and internal challenges that will impact our success in meeting the goals and strategies outlined in this plan.

External Challenges

Being an independent voice:

- ◆ We must continue to exercise our authority in deciding what work to accomplish and setting work priorities without regard to external influences while continuing to win the trust of Postal management by providing high-quality, value-added services.
- ◆ We must balance our reporting requirements with the need to protect Postal competitiveness while meeting the requirements of the Freedom of Information Act.

Providing stakeholders with timely, accurate, and relevant information:

- ◆ We must obtain accurate and reliable Postal data to provide high-quality, value-added services.
- ◆ We must address Postalwide systemic issues, made more difficult because of the magnitude, variety, and decentralization of Postal Service operations.
- ◆ We must constantly adjust our plans to meet the rapidly changing Postal Service business environment.
- ◆ We must review Postal Service commercially sensitive and proprietary data and report our findings in a manner that prevents inadvertent disclosure of the data.

Internal Challenges

Maximizing resources:

- ◆ We must balance our work priorities with our resources and increase productivity to assure adequate coverage of the breadth of Postal operations including concerns from Postal customers and employees.
- ◆ We must leverage cutting-edge technology to effectively review and analyze Postal Service operations.
- ◆ We must identify ways to attract and retain a highly skilled and diverse workforce to maintain a competitive edge.

Providing a healthy organizational culture and environment:

- ◆ We must address issues of job burnout, fatigue, stress, and the impact of extended travel on the quality of life so that our attrition rate and other factors such as employee morale are not affected.
- ◆ We must constantly strive to ensure that our staff understands and lives our values so that each OIG employee is committed to providing high-quality, value-added services.

As we move forward, we will continue to pursue our goal of providing high-quality and value-added services that help the Postal Service maintain and enhance its position as the best in the world.

NOTES